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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 001519

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SUBJECT: NORWEGIAN AND PA VIEWS ON PROPOSED AHLC MEETING

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

¶1. (C) Summary: Prime Minister Salam Fayyad told the Consul General July 17 that he supports the proposal to convene an Ad Hoc Liaison Committee (AHLC) meeting in September 2007. Fayyad stated that the meeting should be limited to AHLC members only. He also suggested that a proposed follow-on conference in December 2007 should be a donors' conference, not another AHLC meeting. In a July 20 meeting with the Consul General, Norway's Representative to the PA Sten Arne Rosnes praised President Bush's call for an AHLC meeting and suggested that participation in the September meeting be at the ministerial level. He said the follow-on meeting in December should be a donors' conference similar to that held on behalf of Afghanistan. End summary.

PA Views on AHLC Meeting

¶2. (C) In a July 17 meeting the Consul General, Prime Minister Salam Fayyad said that he has two objections to a Norwegian non-paper on the proposed schedule of a Palestinian donors' meeting. First, he does not agree that the proposed September meeting should include any bilateral donors outside the existing AHLC membership. (Note: The Norwegians have proposed that the biggest bilateral donors outside the AHLC be invited both to the meeting in September and the conference in December. End note.) Second, Fayyad believes the December conference should not be a second AHLC, but rather a donors' conference similar to that held in Paris in ¶1996.

¶3. (C) Fayyad told the Consul General that almost none of his recommended changes to a Norwegian non-paper on the AHLC had been accepted. The Consul General told Fayyad our view on these issues is identical to his. The Consul General also noted that we are aware of European reticence about a September AHLC meeting, but explained that President Bush's July 16 speech advocating such a meeting will help overcome this. Fayyad suggested that the September meeting be held at the foreign minister level to raise its profile. Fayyad told the Consul General in a subsequent conversation that he reiterated his position in a meeting with Norwegian representatives on July 22. Fayyad reported that he took a hard line with the Norwegians on attendance at the September meeting, pressing them not to make overtures to EU Member States so they can "play the good guy" knowing the U.S. will play the heavy.

Norwegians Buoyed by POTUS Plug

¶4. (C) Norway's Representative to the PA Sten Arne Rosnes told the Consul General July 20 that he is extremely pleased

with President Bush's public declaration of support for holding an AHLC meeting soon. Rosnes acknowledged that September would be the earliest possible date and concurred that setting it in New York around the time of the UNGA meeting will allow for the participation of foreign ministers. He took note of the Consul General's point that both Fayyad and the USG want the meeting limited to AHLC members. The Consul General also suggested that, if launched at the foreign minister-level, the September meeting should be two-tiered, with a follow-on session at the senior working-level. Rosnes said that in this session participants should reach agreement on the December meeting. The Consul General suggested that it would be helpful to connect Quartet Special Envoy Tony Blair to the donor process, and Rosnes replied that Blair would be invited to the next AHLC meeting. Rosnes said he was committed to working closely with Fayyad and the USG on preparations for the AHLC.

Donors' Conference

¶5. (C) Rosnes agreed with the Consul General's assertion that the December meeting should be open to all bilateral donors and focus on pledges towards a Palestinian development plan and not just discussions of a laundry list of problems. Rosnes explained that his government envisions the December meeting not as another AHLC meeting but as a donors' conference modeled after the one held on behalf of Afghanistan in Berlin. He said that if there is an absence of agreement on the structure and level of participation for the December meeting, Norway is happy to host the second meeting as an AHLC. (Comment: We are not familiar with the arrangements for the Afghanistan Donors' Conference. We agree with Fayyad that the 1996 Paris Donors Conference for

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the Palestinians is the most appropriate model. End comment.)

WALLES